

Company Number: _____

Water Distribution Industry Operator Statement

Company Name: _____



Under the penalties of perjury, I hereby certify that this statement has been prepared under my direction and supervision from the original books and records of said company and that the facts, statements, and schedules in this statement are true, correct, and complete to the best of my knowledge.

Signature

Date

Printed name and title

Telephone number

GENERAL INSTRUCTIONS

1. This operator's statement and all additional documentation apply to the calendar year ending December 31, 2010. You must submit this information to the Idaho State Tax Commission by April 30, 2011.

**Centrally Assessed Property Section
Property Appraisal Bureau
Idaho State Tax Commission
P O Box 36
Boise, ID 83722**

2. Answer all questions and attach additional sheets where necessary. If you cannot provide the information, briefly explain why.
3. Explain unusual entries and discrepancies on pages containing space for remarks or referenced supplemental pages.
4. If the space provided is insufficient, insert and number additional pages. You may use photocopies or computer-generated pages. For example, if you need to add pages to report your leased machines and equipment on page 13, number the pages 13A, 13B, 13C, etc.
5. Please submit any additional information that may affect the valuation of the property.
6. If requested information has already been created, you may substitute that information.
7. If you do not select an option for removing intangible personal property (page 10), Option A will become the default method. For example, investments in custom software are exempted as intangible personal property. Custom software is defined as

... software designed, and created by a vendor at the specific request of a client. The term includes services separately charged to modify existing canned software, even though the canned program remains taxable. Custom software does not include loading parameters to initialize program settings and arranging preprogrammed modules to form a complete program.
8. Include the following additional reports: the annual report to partners and stockholders, operating and financial year-end company report, and rate increase documentation filed with the Idaho Public Utilities Commission.
9. We advise companies with CIAC to increase or decrease the proper accounts if asset dollars have increased or decreased. Show the information by individual plant accounts on the Utility Plant Account for CIAC (page 9). The total Utility Plant Account 101 on page 4 will be affected if CIAC dollars have changed. The adjustments are important to avoid possible appraisal errors.
10. The taxpayer or an authorized agent must provide all information requested by the Idaho State Tax Commission. The taxpayer must provide correct and reliable information. If the requested information is not provided, the Tax Commission will assess the property as fairly and equitably as possible using the best information it possesses. The taxpayer will have no right to appeal such assessment. See Idaho Code section 63-404 and IDAPA Rule 35.01.03.404.06.

If you have any questions about completing this form, please call our office at (208) 334-7722.

COMPANY INFORMATION

Appraisal Tax Representative

| | | |
|---|-------|--|
| Representative (This person will receive the appraisal and all appraisal correspondence.) | | |
| Title | | |
| Mailing Address | | |
| Address Line 1 | | |
| Address Line 2 | | |
| City | State | Zip Code |
| Country (if not in the U.S.) | | Federal Employer Identification Number |
| E-Mail Address | | |
| Telephone Number | | Fax Number |

Mapping and Tax Code Area Representative

| | |
|--|------------|
| Representative (This person will receive the tax code area mapping information.) | |
| Title | |
| E-Mail Address | |
| Telephone Number | Fax Number |

Tax Bill Representative

| | |
|---|------------|
| Representative (This person will receive the tax bill.) | |
| Title | |
| E-Mail Address | |
| Telephone Number | Fax Number |

HISTORY OF COMPANY

Full title of company _____

Period covered by this report _____

Location of principal office _____

Date when company was originally organized _____

Date of any reorganization or consolidation _____

Date when company began rendering service _____

Name of parent company, if any _____

Name of companies owned, controlled, or operated

Names of Idaho counties in which you operate

Customers by Class

| Class | Number of Customers Current Year | Number of Customers Last Year |
|-------------------------------|----------------------------------|-------------------------------|
| Residence | | |
| Commercial | | |
| Industrial | | |
| Other - Fire Protection, etc. | | |

IMPORTANT CHANGES DURING THE YEAR

| BALANCE SHEET | | | | |
|--|--------------|----------------------|---------------|-------------------------|
| | Acct. No. | Beginning of Year | Close of Year | Increase or Decrease |
| Assets | | | | |
| 1 Utility Plant in Service | 101 | | | |
| 2 Utility Plant Leased to Others | 102 | | | |
| 3 Plant Held for Future Use | 103 | | | |
| 4 Construction Work in Progress | 105 | | | |
| 5 Utility Plant Acquisition Adjustment | 114 | | | |
| 6 Subtotal (Lines 1 thru 5) | | | | |
| 7 Accumulated Depreciation | 108.1 | | | |
| 8 Accumulated Depreciation - Utility Plant Leased to Others | 108.2 | | | |
| 9 Accumulated Depreciation - Property Held for Future Use | 108.3 | | | |
| 10 Accumulated Amortization - Utility Plant in Service | 110.1 | | | |
| 11 Accumulated Amortization - Utility Plant Leased to Others | 110.2 | | | |
| 12 Accumulated Amortization - Acquisition Adjustment | 115 | | | |
| 13 Net Utility Plant (Line 6 less lines 7 thru 12) | | | | |
| 14 Investment in Subsidiaries | 123 | | | |
| 15 Other Investments | 125 | | | |
| 16 Total Investments (Add lines 14 & 15) | | | | |
| 17 Cash | 131 | | | |
| 18 Short Term Investments | 135 | | | |
| 19 Accounts/Notes Receivable - Customers | 141 | | | |
| 20 Other Receivables | 142 | | | |
| 21 Receivables from Associated Companies | 145 | | | |
| 22 Materials & Supplies Inventory | 151 | | | |
| 23 Prepaid Expenses | 162 | | | |
| 24 Unbilled (Accrued) Utility Revenue | 173 | | | |
| 25 Provision for Uncollectable Accounts | 143 | | | |
| 26 Total Current Assets (Add lines 17 thru 24 less line 25) | | | | |
| 27 Unamortized Debt Discount & Expense | 181 | | | |
| 28 Preliminary Survey & Investigation Charges | 183 | | | |
| 29 Deferred Rate Case Expenses | 184 | | | |
| 30 Other Deferred Charges | 186 | | | |
| 31 Total Assets (Add lines 13, 16, and 26 thru 30) | | | | |

| BALANCE SHEET | | | | |
|---|----------|-------------------|---------------|----------------------|
| | Acct No. | Beginning of Year | Close of Year | Increase or Decrease |
| Equity | | | | |
| Common Stock | 201-3 | | | |
| Preferred Stock | 204-6 | | | |
| Miscellaneous Capital Accounts | 207-13 | | | |
| Appropriated Retained Earnings | 214 | | | |
| Unappropriated Retained Earnings | 215 | | | |
| Reacquired Capital Stock | 216 | | | |
| Proprietary Capital | 218 | | | |
| Total Equity Capital (Add lines 1 thru 7) | | | | |
| Bonds | 221-2 | | | |
| Advances from Associated Companies | 223 | | | |
| Other Long-Term Debt | 224 | | | |
| Accounts Payable | 231 | | | |
| Notes Payable | 232 | | | |
| Accounts Payable - Associated Companies | 233 | | | |
| Customer Deposits (Refundable) | 235 | | | |
| Accrued Other Taxes Payable | 236.1 | | | |
| Accrued Income Taxes Payable | 236.1 | | | |
| Accrued Taxes - Non-Utility | 236.2 | | | |
| Accrued Debt, Interest, & Dividends Payable | 237.4 | | | |
| Miscellaneous Current & Accrued Liabilities | 241 | | | |
| Unamortized Debt Premium | 251 | | | |
| Advances for Construction | 252 | | | |
| Accumulated Amortization for Advances for Construction | | | | |
| Other Deferred Liabilities | 253 | | | |
| Accumulated Investment Tax Credits - Utility | 255.1 | | | |
| Accumulated Investment Tax Credits - Non-Utility | 255.2 | | | |
| Operating Reserves | 261-5 | | | |
| Contributions in Aid of Construction | 271 | | | |
| Accumulated Amortization of Contribution in Aid of Construction | 272 | | | |
| Accumulated Deferred Income Taxes | 281-3 | | | |
| Total Liabilities (Add lines 9 thru 30) | | | | |
| Total Liabilities and Capital (Add lines 8 & 31) | | | | |

| REVENUE & EXPENSE DETAIL | | |
|--------------------------|---|--|
| | Description | Acct. No. Amount |
| | REVENUE | |
| 1 | Total Operating Revenue | 400 |
| 2 | DEQ Fees Billed Separately to Customers | |
| 3 | Hookup or Connection Fees Collected | |
| 4 | Commission Approved Surcharges Collected | |
| | OPERATING EXPENSES | |
| 5 | Labor - Operation & Maintenance | 601.1-6 |
| 6 | Labor - Customer Accounts | 601.7 |
| 7 | Labor - Administrative & General | 601.8 |
| 8 | Salaries - Officers & Directors | 603 |
| 9 | Employee Pensions & Benefits | 604 |
| 10 | Purchased Water | 610 |
| 11 | Purchased Power & Fuel for Power | 615-16 |
| 12 | Chemicals (Includes Chemical Container Deposits) | 618 |
| 13 | Materials & Supplies - Operation & Maintenance (Includes Postage) | 620.1-6 |
| 14 | Materials & Supplies - A&G, Customer Care (Includes Postage) | 620.7-8 |
| 15 | Contract Services - Professional Accounting, Legal, & Management Fees | 631-34 |
| 16 | Contract Services - Water Testing | 635 |
| 17 | Contract Services - Other | 636 |
| 18 | Rentals - Property & Equipment | 641-42 |
| 19 | Transportation Expense | 650 |
| 20 | Insurance | 656-59 |
| 21 | Advertising | 660 |
| 22 | Rate Case Expense | 666 |
| 23 | Regulatory Commission Expense | 667 |
| 24 | Bad Debt Expense | 670 |
| 25 | Miscellaneous | 675 |
| 26 | Total Operating Expenses (Add Lines 5 thru 25) | 401 |
| | OTHER TAXES OR FEES | |
| | List of Taxes or Fees | Current Year Amount of Increase or Decrease From Preceding Year |
| 27 | Real & Personal Property Tax | |
| 28 | Idaho State Income Tax | |
| 29 | Payroll Tax | |
| 30 | State Corporation License Fees | |
| 31 | Idaho Public Utilities Fees | |
| 32 | Other Fees | |

| REVENUE & EXPENSE DETAIL (continued) | | |
|---|--|---------------|
| Acct. No. | Description | Amount |
| 1 403 | Depreciation Expense | |
| 2 406 | Amortization - Utility Plant Acquisition Adjustment | |
| 3 407 | Amortization Expenses - Other Utility Plant | |
| 4 408.10 | Regulatory Fees (PUC) | |
| 5 408.11 | Property Taxes | |
| 6 408.12 | Payroll Taxes | |
| 7 408.13 | Other Taxes: | |
| 8 | Idaho Sales & Use Tax | |
| 9 | Taxes Paid on CIAC | |
| 10 409.10 | Federal Income Taxes | |
| 11 409.11 | State Income Taxes | |
| 12 410.10 | Provision for Deferred Income Tax - Federal | |
| 13 410.11 | Provision for Deferred Income Tax - State | |
| 14 411 | Provision for Deferred Utility Income Tax Credits | |
| 15 412 | Investment Tax Credits - Utility | |
| 16 | Total Expenses From Operations Before Interest (Add line 26 from page 6 and lines 1 thru 15.) | |
| 17 413 | Income From Utility Plant Leased to Others | |
| 18 414 | Gains (Losses) From Disposition of Utility Plant | |
| 19 | Net Operating Income (Add line 1 from page 6 and lines 17 and 18 less line 16.) | |
| 20 415 | Revenues, Merchandizing, Jobbing, and Contract Work | |
| 21 416 | Expenses, Merchandizing, Jobbing, and Contracts | |
| 22 419 | Interest and Dividend Income - Other | |
| 23 420 | Allowance for Funds Used During Construction | |
| 24 421 | Miscellaneous Non-Utility Income | |
| 25 426 | Miscellaneous Non-Utility Expense | |
| 26 408.20 | Other Taxes - Non-Utility Operations | |
| 27 409.20 | Income Taxes - Non-Utility Operations | |
| 28 427.2 | Interest Expense on Long-Term Debt | |
| 29 427.5 | Other Interest Charges | |

UTILITY PLANT ACCOUNTS FOR RATE BASE

| | Acct. No. | Classification | (A) Balance at Beginning of Year | (B) Added During Year | (C) Withdrawn During Year | (D) Balance at End of Year |
|----|-----------|---|-------------------------------------|--------------------------|------------------------------|-------------------------------|
| 1 | 301 | Organization | | | | |
| 2 | 302 | Franchise & Consents | | | | |
| 3 | 303 | Land & Land Rights | | | | |
| 4 | 304 | Structures & Improvements | | | | |
| 5 | 305 | Reservoirs & Standpipes | | | | |
| 6 | 306 | Lake, River, & Other Intakes | | | | |
| 7 | 307 | Wells | | | | |
| 8 | 311 | Power Pumping Equipment | | | | |
| 9 | 320 | Purification System | | | | |
| 10 | 331 | Transmission & Distribution Mains | | | | |
| 11 | 333 | Services | | | | |
| 12 | 334 | Meters | | | | |
| 13 | 335 | Hydrants | | | | |
| 14 | 340 | Office Furniture & Equipment | | | | |
| 15 | 341 | Transportation Equipment | | | | |
| 16 | 343 | Shop Equipment & Tools | | | | |
| 17 | 348 | Other Tangible Plant | | | | |
| 18 | | Intangible Personal Property | | | | |
| 19 | | Total Beginning of Year (Lines 1 through 18, column A) | | | | |
| 20 | | Total Added During Year (Lines 1 through 18, column B) | | | | |
| 21 | | Total Withdrawn During Year (Lines 1 through 18, column C) | | | | |
| 22 | | Total End of Year (Lines 1 through 18, column D) | | | | |

UTILITY PLANT ACCOUNTS FOR CIAC

| | Acct. No. | Classification | (A) Balance at Beginning of Year | (B) Added During Year | (C) Withdrawn During Year | (D) Balance at End of Year |
|----|---|-----------------------------------|--|--------------------------|------------------------------|-------------------------------|
| 1 | 301 | Organization | | | | |
| 2 | 302 | Franchise & Consents | | | | |
| 3 | 303 | Land & Land Rights | | | | |
| 4 | 304 | Structures & Improvements | | | | |
| 5 | 305 | Reservoirs & Standpipes | | | | |
| 6 | 306 | Lake, River, & Other Intakes | | | | |
| 7 | 307 | Wells | | | | |
| 8 | 311 | Power Pumping Equipment | | | | |
| 9 | 320 | Purification System | | | | |
| 10 | 331 | Transmission & Distribution Mains | | | | |
| 11 | 333 | Services | | | | |
| 12 | 334 | Meters | | | | |
| 13 | 335 | Hydrants | | | | |
| 14 | 340 | Office Furniture & Equipment | | | | |
| 15 | 341 | Transportation Equipment | | | | |
| 16 | 343 | Shop Equipment & Tools | | | | |
| 17 | 348 | Other Tangible Plant | | | | |
| 18 | | Intangible Personal Property | | | | |
| 19 | Total Beginning of Year (Lines 1 through 18, column A) | | | | | |
| 20 | Total Added During Year (Lines 1 through 18, column B) | | | | | |
| 21 | Total Withdrawn During Year (Lines 1 through 18, column C) | | | | | |
| 22 | Total End of Year (Lines 1 through 18, column D) | | | | | |

EXEMPTIONS

The following items are exempt. Show the value for each applicable item and explain how you determined the value. In all instances you must show **depreciated** or **amortized** values. Attach a separate page for calculations, if needed.

| | Value | Calculation (Include account number or detailed description.) |
|--|-------|--|
| A. Licensed Vehicles (§63-602J) (Include only vehicles licensed in Idaho.) | | |
| B. Pollution Control (§63-602P) (Include only pollution control equipment in Idaho.) Property Tax Rule 619: You must file the completed declaration by March 15, 2011. | | |
| C. Intangible Personal Property (§63-602L and Property Tax Rule 615) | | |
| Contracts and Contract Rights | | |
| Copyrights | | |
| Custom Computer Programs (See general instructions, page 1, item 7.) | | |
| Customer Lists | | |
| Franchises | | |
| Goodwill | | |
| Licenses | | |
| Patents | | |
| Rights-of-way that are possessory only and not accompanied by title | | |
| Trademarks | | |
| Trade Secrets | | |

Check the preferred option to remove intangible personal property from the appraised value.

- ☐ Option A. Value of exempt intangible personal property is subtracted out at the system level.
- ☐ Option B. Value of exempt intangible personal property is subtracted out at the state level.
- ☐ Option C. Value of exempt intangible personal property is excluded from the value using valuation models which value only the nonexempt assets.

PROPERTY NOT APPORTIONED (SITUS)

Report information by the uniform tax code area system as prescribed by the Idaho State Tax Commission.

| County | Tax Code Area Number | Description of Property | Undepreciated Investment ¹ (Round to the nearest dollar.) |
|--------|----------------------|-------------------------|--|
| | | | |

¹Report undepreciated investment in situs property including microwaves and/or radio relay stations.

MILEAGE BY TAX CODE AREA

Report information by the uniform tax code area system as prescribed by the Idaho State Tax Commission.

| County (List in alpha order.) | Tax Code Area Number (List in numerical order within county.) (One total per code area per county) ¹ | 3" Equivalent Pipeline Mileage (Carry to two decimal places.) ² |
|---|--|--|
| | | |

¹ Please put counties in alphabetical order and the tax code areas in numerical order. Please list only one total per tax code area.

² 3" Equivalent Basis: 1"=0.33, 2"=0.66, 3"=1.00, 6"=2.00, 12"=4.00, 24"=8.00, etc.

IDAHO DECLARATION OF LEASED MACHINES AND EQUIPMENT

| County | Tax Code Area Number | Name of Leasing Company | Number of Units | Description of Equipment Leased | Year Built | Original Cost (New) | Tax Commission Use Only |
|--------|----------------------------|----------------------------|--------------------|------------------------------------|---------------|---------------------------|-------------------------------|
| | | | | | | | Market Value |
| | | | | | | | |

SYSTEM DECLARATION OF LEASED PROPERTY

NONCAPITALIZED LEASES

(Furnish copies of all leases.)

| Location of Property | Leased From | Description of Property | Year Built | Original Cost (New) | Rental Expense |
|----------------------|-------------|-------------------------|------------|---------------------|----------------|
| | | | | | |